

Sample Export Plan

Company

Goals

- Increase company sales by five percent.
- Locate a distributor for our product in one target market every year.
- Participate in the global marketplace, taking advantage of the 96 percent of world consumers that live outside of the United States.
- Show a profit in our export initiative within three to five years.

Financial Resources

- Annual capital budget of \$35,000.
- Half-time staff position.
- Three- to five-year minimum commitment.
- Potential of Branded program funds through state, regional trade group.

Non-financial Resources

- Product inquiries from Canada, Mexico, Taiwan.
- Staff expertise:
 - One Spanish speaking staff member.
 - Several staff members with travel experience in Canada, Mexico, and Europe.
 - One staff member with family currently living in New Zealand.
 - One staff member trained in export readiness class and willing to take additional classes.
- Additional human resources:
 - Company will consider hiring a consultant.
 - Company will consider hiring a new employee to support exporting.
- One distributor that has sold our Export Cookies to a grocery store in Canada.
- Experience with requesting and checking references of potential buyers.

Current Trends and Practices

- Our company growth has been three percent per year for the past five years.
- Our product is currently sold nationally, through distributors, to retail outlets, hotels, and airlines.
- Our current promotional strategies include shelf talkers, coupons, and in-store promotions.

Production Capacity

- Sufficient capacity to increase sales by 25 percent.

Target Market (Source: TAPO - Mexico Addition of World Trade Atlas & BICO Report)

Potential Markets for Non-Frozen Cookies

Leading 20 Country Markets	1998 Rank	1997 to 1998 % Change	Millions of U.S. Dollars		
			1996	1997	1998
Canada*	1	-6.33	72.168	76.768	71.908
Mexico*	2	69.47	1.950	2.977	5.046
Japan	3	7.27	4.962	2.693	2.888
Bermuda*	4	105.24	0.320	0.561	1.151
Saudi Arabia*	5	667.31	1.052	0.144	1.102
Columbia*	6	68.12	0.659	0.584	0.982
United Kingdom	7	-93.99	0.511	16.226	0.975
Hong Kong	8	-56.07	2.489	1.752	0.770
Cayman Islands*	9	164.53	0.255	0.269	0.710
Singapore	10	-33.65	0.591	1.012	0.671
Dominican Republic	11	-19.94	1.219	0.786	0.629
Jamaica	12	-56.13	0.810	1.208	0.530
Philippines	13	-76.53	0.851	2.105	0.494
France*	14	152.55	0.048	0.193	0.487
Bahamas	15	12.66	0.500	0.401	0.452
Switzerland	16	-16.59	0.441	0.534	0.446
New Zealand*	17	161.38	0.217	0.132	0.345
Venezuela	18	-20.42	0.479	0.424	0.337
Israel	19	-35.42	0.296	0.468	0.302
Panama*	20	192.28	0.166	0.100	0.293

*Most promising markets

Market Assessments (Source: CIA World Fact Book)

Country	Population 1998 est.	1997 est. GDP	1997 est. GDP growth rate	1996/7 est. GDP per capita
Canada*	30.7 million	658 billion	3.5%	\$21,700
Mexico*	98.6 million	694.3 billion	7.3%	\$7,700
Bermuda	62,009	\$1.8 billion	2.4%	\$29,000
Saudi Arabia*	20.8 million	\$206.5 billion	4.0%	\$10,300
Colombia*	38.6 million	\$231.1 billion	3.1%	\$6,200
Cayman Islands	37,716	\$860 million	4.5%	\$23,800
France*	58.8 million	\$1.32 trillion	2.3%	\$22,700
New Zealand	3.6 million	\$63.4 billion	2.5%	\$17,700
Panama	2.7 million	\$18 billion	3.6%	\$6,700

*Top 5 markets

Best Target Market - Mexico (Source: FAS (Foreign Agricultural Service) Country Market Report)

Economic Overview

The Mexican economy rebounded from a financial crisis in 1995. After the necessary painful adjustment measures and with international assistance, the country has successfully dealt with a dangerous, short-term liquidity crunch. From a macroeconomic perspective, 1996 turned out to be a much better year than either the government or private sector analysts predicted. The services sector dominated by commerce, grew 2.8 percent, as the domestic economy remained relatively weak. Nevertheless, there were signs of recovery. Private consumption increased 2.1 percent in the first half of 1996. Inflation in Mexico declined through most of 1996. During 1996, the annual consumer price inflation fell 51.7 percent in January, analyzed to 28 percent in November, and ended with 27 percent for the year. Producer price inflation was 59 percent in 1995 and only 26 percent in 1996.

Since early 1995, average real urban wages have declined by about 25 percent, after rising 30 percent between 1987 and 1993. Long-term employment trends in the manufacturing sector have been negative and most new jobs have been generated in small service sector operations. Job creation should continue to strengthen in 1997 although unemployment and underemployment will remain pressing problems.

Still, certain demographic factors will continue to place Mexico at the top of the list for U.S. exporters of consumer-ready food products into the next century. These factors are:

- Increased purchasing power.
- A growing population expected to reach 100 million by the year 2000.
- Half of the population under 21 years of age.
- Strong identity with things American.
- A strong preference for american-style food.

With the entry into North American Free Trade Agreement (NAFTA) on January 1, 1994, Mexico lowered its tariffs on U.S. and Canadian origin goods. Mexican tariffs on U.S. goods are between five and twenty percent ad valorem, with the highest Mexican tariffs on agricultural products and finished motor vehicles. Under the NAFTA, tariffs on U.S. goods will be phased out over a maximum period of ten years, varying by type of good. Sixty percent of U.S. goods now enter Mexico duty-free.

Mexico's population was estimated at 98.6 in 1998 million with 80 percent under the age of 40 years, and 50 percent under the age of 25. Nearly 73 percent of the population lives in urban areas: Mexico City (18 million); Guadalajara (3.2 million) ; Monterrey (2.9 million); Puebla (1.5 million); Leon (1.2 million); and in some 70 other cities with a population ranging between 100,000 and 900,000. Only about 20 percent of the population comprises the market for most imported high value food products.

The Mexican consumers include:

- The upper class (two percent of the population), characterized by a high level of education, luxury housing, multiple vehicles, and international travel.
- The upper middle class (20 percent of the population), who are university-educated, serve as professionals or company managers, own homes, autos, and a wide range of household appliances, and occasionally travel.

- The lower middle class (about 49 percent of the population), comprised of those living in smaller homes and spending most of their income on basic necessities.
- The rural, the underemployed, or the unemployed.

Homemakers and live-in maids tend to do the vast majority of food purchasing. Weekend shopping, however, tends to be a family affair at larger stores, such as WalMart and Price Clubs, where males are involved in some purchase decisions, particularly impulsive purchases. As more Mexican women are working outside of the home, there is also an increasing market for easy to prepare foods.

Point-of-purchase and sampling are two successful promotional activities in Mexico.

As a result of Mexico's current economic recovery, there are now unique opportunities for U.S. companies to form joint ventures with Mexican companies. Most of the old, restrictive investment rules have been repealed after the NAFTA, and many good Mexican firms are in need of financial support. With interest rates of 45 to 60 percent common, foreign investors are welcome. Forming a joint venture with the right Mexican partner can be a quick and effective way to gain market access.

Doing business in Mexico has a lot in common with other countries. Caution must be used when selecting an agent or distributor. The use of a competent Mexican attorney is strongly recommended when forming a relationship with a Mexican partner. Fully utilizing the resources available at your bank will also help ensure that your company gets paid after the transaction.

Today's Mexico is full of challenges for U.S. business along with vast opportunity; however, the Government of Mexico remains committed to the path of economic integration with the other NAFTA partners and the rest of the World.

The U.S. Market Position

The U.S. is the major supplier of imported food and agricultural products to Mexico, holding nearly a 90 percent share of the Mexican import market. Mexico recognizes most U.S. brand names and associates these products with quality and value.

Prior to the economic crisis of 1995, U.S. products occupied nearly one-quarter of Mexican supermarket shelf space. At the beginning of the crisis, imported U.S. food products nearly disappeared from the shelves. They were either replaced with domestic products, or more often, some shelf space remained empty. As inflation increased, allowing the higher priced U.S. products to become more competitive with domestic products, and the "sticker shock" felt by most Mexican consumers subsided, more U.S. products returned to the supermarket shelves.

Even with the downturn in the Mexican economy, the U.S. market share of Mexican imports of consumer ready products remained at about ninety percent, even though the total market size for this sector declined by over forty percent.

The greatest constraint facing U.S. exporters of consumer-ready food continues to be the lower domestic spending power. However, as the economy slowly recovers, middle and upper middle class consumers will increase purchases of U.S. products, which are viewed as higher quality products and are increasingly preferred by consumers in those classes, especially younger consumers.

U.S. exporters who "stayed the course," kept a presence in the Mexican market and maintained close ties with distributors, importers, retailers, and consumers who are in the best position to

take advantage of the economic recovery. However, competition is keen, with consumers being more conscientious and demanding higher quality and reasonable prices. Aggressive and focused promotion is key in this market. High-end food service trade, as well as certain "niche" markets, will be the most favorable for consumer-ready products during the coming year.

Domestic and Third Country Competition

U.S. competition in the Mexican market for consumer-ready food is mainly from domestic suppliers rather than third country manufacturers. Direct promotional activities financed by third country competitors is limited because state trading groups or high production subsidies by the competitor countries allow for price competition in the Mexican market. Mexico has traditionally been a price driven market and even more so with the recent economic downturn. Therefore, low-price products from Mexican and third country manufacturers continue to pose a threat to the U.S. market share.

Domestic Competition

Driven by the competition from imported food products, Mexican technology in food processing has improved, and many processed food products are now available in retail outlets. In-store promotions and demonstrations by food manufacturers are common in Mexico and popular among consumers who snack frequently on the items offered for tasting at the store while they shop.

Promotional events at supermarkets sponsored by manufacturers and/or retailers offering prizes, sales, loss leaders, and appearances of entertainment figures (usually clowns for children) are common tools employed to attract customers. Their use is very important and growing, and should be considered by U.S. firms who wish to introduce their products and increase consumers' awareness.

High transportation and finance costs, as well as an increasing need by food manufacturers to import bulk and intermediate commodities for the manufacture of their products is hampering Mexican production of some consumer-ready food products.

Third Country Competition

The NAFTA is critical to Mexico's trade since commerce with the U.S. and Canada makes up 78 percent of its total trade. The promotional programs and activities of competing countries in Mexico are limited compared to the efforts of U.S. organizations, led by the FAS, which actively works in the Mexican market.

Mexico's Imports of Cookies

Country	1998 % Share
United States	32.04
Brazil	29.6
Canada	18.74
Italy	6.01
Denmark	4.07
France	2.59
Spain	1.56

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Consumer-ready Product Market Trends

Mexico's consumer-ready food market is still an urban phenomenon and highly concentrated in Mexico City, Guadalajara, and Monterrey. Expansion has also taken place in other cities, each with metropolitan populations greater than one million. These include: Queretaro, Puebla, Morelia, Merida, Hermosillo, Veracruz, and Acapulco (in the summer season). Supermarket chains are also expanding into fast growing towns that have grown up near major urban centers.

A demographic factor favorably affecting the future for U.S. exports to Mexico is the youthfulness of the Mexican population. Nearly 80 percent of the population is age 40 or less, 50 percent age 20 or less, and 40 percent of the population are age 15 or less. Mexican youth have a more worldly view than previous more conservative generations and, as a result, want to consume products available from the global marketplace. The U.S. is well-positioned, culturally and geographically, to meet the needs of this changing population. Rural to urban migration has also increased over the past few decades, with the percentage of urban population now estimated at 78 percent.

In the food service sector, hotels and restaurants on a whole were hurt badly by the economic crisis. However, those hurt the worst were hotels and restaurants, which catered to domestic consumers and business travelers. Mexicans found themselves unable to afford vacations and dining out as much as before. Business travel declined due to the economy.

However, foreign tourism skyrocketed in Mexico, especially in Cancun, Cozumel, Baja California and Puerto Vallarta, due to the favorable exchange rate and the bad winter weather experienced in the U.S. and in Europe.

Restaurants and hotels in those areas cater to American and actually increased in those areas in 1995 and 1996 and are expected to continue in rise in 1997.

Distribution Systems for Consumer-ready Products

U.S. companies who wish to export processed and semi-processed foods and selected fruits to Mexico should contact wholesalers and distributors preferably by personal contact made while visiting Mexico.

Doing business in Mexico has been simplified over the past few years and with the implementation of the NAFTA, U.S.-Mexican trade will become even more routine. Despite this fact, exporters, especially new to market firms, are encouraged to research business practices in Mexico.

A personal visit to Mexico is a must, and a meeting with the U.S. Agricultural Trade Officer and staff can be of great use. The initial visit should be a familiarization trip, so both potential buyer and seller can get to know one another. This is important, as Mexicans prefer doing business with people they know and trust. First time visitors should not expect to make sales.

U.S. are encouraged to establish a legal binding relationship with an importer registered in Mexico, who can then represent and move the U.S. product through to the Mexican retail process.

Alternatively, a new-to-market company may wish to sell its product to a broker in one of the several towns along the U.S. side of the border. Each system has its advantages. Selling to

brokers at the border is at first easier, and potentially less risky (payment is usually made before the product crosses the border). However, selling directly in Mexico offers greater profits, gives the seller more control over his product and brand in Mexico, and establishes the exporter as a real player in the market.

Five categories of merchants involved in the distribution of imported food products to the retailer are defined as follows:

- Wholesaler - all individuals selling large volumes of goods to other merchants.
- Semi-jobbers - a wholesaler selling in smaller amounts.
- Retailer - the merchant selling directly to the end-consumer. There are several classes of retailers, depending on the size and type of operation:
 - Supermarkets - these vary in size from the large warehouse clubs such as Price Club to mini-supermarkets such as "OXXO" and Seven-Eleven.
 - Abarrotes - the equivalent of a mom-and-pop store.
 - Delicatessen.
 - Municipal markets - where a majority of the middle and lower economic segments of the population shop
 - Mobile markets ("tianguis") - commonly known as markets on wheels.
- Institutional - hotels, restaurants, hospitals, and so forth.
- Distributor - a dealer with exclusive distribution rights for certain food products, whether imported or locally produced.

In addition to the above-mentioned categories, a very important distribution network exists in the central wholesale markets found in major cities in Mexico. At present, there are 26 central wholesale markets (Centrales de Abasto) in Mexico. These are places where wholesalers and a significant portion of the commercial transactions take place. The Centrales de Abasto handle products which arrive from the countryside, along with other products both domestic and imported. In general, the most important wholesalers and distributors are located in these central wholesale markets.

In the process of distribution to the retailer, the wholesaler/importer maintains a sales force, handles and services direct accounts, and has warehouses strategically placed in the country. Another link in the distribution chain is comprised of small distributors (peddlers) known in the varilleros. These are self-employed individuals who own a truck, which they fill with an assortment of merchandise, purchased from wholesalers and semi-jobbers, and then travel from village to village selling their wares on a cash basis. Consequently, it is not surprising to find imported goods in a small town where well-to-do Mexicans have weekend and/or vacation homes.

The supermarket trade has experienced a rapid change. Historically, a relatively small number of firms controlled Mexico's consumer-ready food distribution system. Many new participants entered the import business in the early 1990's. The supermarket industry grew rapidly, adding a large amount of refrigerated and freezer space available in Mexico. Since the devaluation, there has been little growth in the supermarket area, although most stores were able to keep their doors open. Expansion plans of WalMart and warehouse stores, which were put on hold in 1995, are beginning to get back on track this year.

The national supermarket chains are owned by three groups: Grupo Cifra owns Aurrera, Superama, WalMart and Sam's; Comercial Mexicana owns the supermarkets under their name

as well as Sumesa and Price Club; and Gigante-Fleming, as well, owns supermarkets under their names as well as Carrefour.

Another type of store growing in the market share in Mexico is the U.S.- style convenience store located in neighborhoods as well as gas stations throughout the country. While this type of store has always been the mode in Mexico, due to its similarity with traditional "tiendas" or mom and pop corner stores, they are much more modern and offer self-service convenience. The success of these stores is attracting U.S. companies interested in joint ventures. The largest of the convenience chains in Mexico is OXXO, based in Monterrey with over 500 outlets.

Prices for imported food products are about 15 percent to 20 percent higher than in the U.S. This is due in part to higher margins at all levels, higher interest rates, tariffs, and higher transport costs. Fuel and spare parts are more expensive in Mexico and, since nearly all imported food products enter Mexico overland, transport costs play a major role in the final price.

The major Mexican supermarkets chains such as Grupo Cifra, Gigante and Comercial Mexicana are still the largest importers of U.S. consumer-ready food.

Transportation

The leading mode of transportation for processed food from the U.S. is trucking, while rail and maritime shipping is more widely used for bulk commodities.

The ability to ship by truck to Mexico gives the U.S. an advantage in shipping costs over third-country competitors and many domestic competitors. The main Mexican highways run North-South. Therefore, a food manufacturer in the northwestern part of Mexico has higher transportation costs to deliver to Mexico City than a U.S. manufacturer in the Midwest or the South. Mexico has 95,000 kilometers of paved roads. A large number of toll roads were built in Mexico during the past six years. These roads are very good and usually cut travel time in half. However, they are some of the most expensive toll roads in the world. Laredo and to a lesser degree McAllen, Texas are the most used ports of entry for U.S. fruits, vegetables and other consumer-ready products.

Use of rail for consumer-ready goods is not common between the U.S. and Mexico. Nevertheless, its use is increasing, particularly in the piggy-back system used by U.S. suppliers to ship their products to the U.S.-Mexican border.

In some cases, U.S. rail lines change cars with the Mexican railways (Ferrocarriles Nacionales,) and the product remains in U.S. cars as it continues by rail to its destination.

While maritime shipping is used a great deal in trading with Europe, the Pacific Rim, and the Caribbean zone, it is used to a lesser extent for transporting merchandise from the U.S. to any of Mexico's coasts.

Due to its high cost, air freight is used only in cases of highly perishable products, like seafood, dairy products, and frozen food items.

Domestic Food Processing Sector

There is a large food processing sector in Mexico for the manufacturing of dairy products, beer, wine, preserved fruits and vegetables, sauces, jams, food mixes, breakfast cereals, juices, soft drinks, confectioneries, deli meats, poultry, eggs, cake mixes, breads, and a variety of other products of common use throughout North America and Europe.

The Mexican food processing industry is not mature by international standards. About 8,000 companies are registered with the National Processing Industry Chamber (CANACINTRA). According to chamber officials, there are more than 40,000 additional unregistered companies in the industry. These are mostly small family-owned firms. Total food processing employment is estimated at over 670,000 people.

The industry is dominated by a few major players, including Grupo Industrial Bimbo, Grupo Maseca, and Herdez. There is also a myriad of small and micro enterprises that supply small stores within a short distance of their processing facilities.

Although tariffs were 10 percent or less in 1996, they will be eliminated over the next five years. This reduction should give a big boost to imports as well as make the United States more competitive with other foreign suppliers and domestic producers.

Product

Product Characteristics

- Our company wishes to export a product we have labeled "Export Cookies."
- "Export Cookies" come in a 12 oz. (340 g) box and a handy 6-cookie snack size. Due to "the increasing openness of the Mexican market, expanding affluence, and change in consumer tastes there has been an increase in snack food imports. This should prove very beneficial in the exporting and consumer acceptance of our product.
- Furthermore, the NAFTA gives us, as U.S. exporters, a competitive edge in the Mexican market that other countries lack.
- Due to NAFTA, few tariffs remain when exporting to Mexico; however, certain export requirements must be met, including the preparation of a Shipper's Exporter Declaration (SED) prior to exporting the product.

Product Packaging (Source: FAS FAIRS Report)

The following are labeling requirements for products exported to Mexico. All label information must be in Spanish, but may also be in other languages. Specific NOM-051 Requirements:

- Name or type of product and brand on primary surface of the product.
- List of ingredients, in descending order, if equal to or exceeding 5 percent of product composition including added water, and the percent content of combined additives or colors.
- Net content, or drained weight, in metric units. (Note: In Mexico, a comma is used in place of a decimal point.)
- Name and address of manufacturer or importer.
- Country of origin.
- Lot number.
- Expiration date.
- Nutritional information is optional, except for products whose labels make qualitative or quantitative nutritional claims; such as low fat, low calorie, low salt or diet. In such cases, NOM-051 requires product labeling to include the following information per portion basis per the Health Ministry's standard, NOM-086:
 - Saturated fat and cholesterol in milligrams for claim of low-fat;

- Sodium in milligrams for claim of low-salt.
- Sugar in milligrams for claim of low-sugar.
- Kilocalories for claim of low-calorie.
- Special wording when aspartame and sorbitol are used.
- Special wording for claim of gluten-free.
- Optional label information may also include "best consumed by" dating and complementary nutritional information such as vitamins and minerals expressed as a percent of the Mexican daily recommended allowance and instructions for use or preparation.

Product Handling

The following describes the product handling characteristics of Export Cookies.

- Pre-packaged.
- Non-perishable.
- No special handling required for shipping.

Pricing (Source: FAS Mexico Office, Freight Forwarder)

Market Price

Average Retail Price of Cookies In Mexico

HS Description: 19053001 - Cookie, Waffle, Wafer

Large Box	Individual Serving
25-60 pesos (\$2.77 - \$6.66)	3-4 pesos (\$.33 - \$.44)

Pricing Strategy

Costs estimates are based on:

- 20-foot truck load
- 20 pallets per truck
- 54 cartons per pallet
- 12 boxes per carton

Trucking to Border:	\$ 400
Transloading at Border:	\$ 200
Trucking From Border to Mexico City:	\$ 2,800
Freight Forwarder Fee:	\$ 110
Documentation Fee:	\$ 30
Banking Fee:	\$ 50
Insurance:	*\$ 3,310
Total Transportation Cost:	\$ 6,900

* 20% of CIF Value

Transportation cost per package equals \$0.28.

Profit

Market Price:	\$5.00
Minus Transportation Costs:	\$0.53
Minus 15% Distributor Fee:	\$0.60
Total Available to Cover Production, Marketing, Profit :	\$3.87

Market Entry (Source: FAS AgExporter Magazine)

General Strategies

- Selling directly to the Mexican market requires a great deal of effort and works best for companies that have a limited number of potential customers. Most Mexican retailers and food service companies are not set up to import directly. For these reasons, our company will employ a Mexican distributor. We will look for either a Distribution company or a Mexican food processor. This method will provide the company with control over our marketing efforts in Mexico and improve our ability to build brand identity if we used an export broker or trading company.
- Most distributors in Mexico will ask to be our exclusive distributor in Mexico. Few can deliver on this promise. To cover the entire, country we will search for a distributor for each of the key regions of Mexico.

Promotional Strategies

- Although our market research has indicated that Mexico is a good starting point for our export efforts, we will begin by advertising our product in the U.S. Department of Agriculture (USDA) Buyer Alert program, which is distributed in approximately 129 markets worldwide. Inquiries from this advertisement will help our company determine if our market assessment is accurate, or if we should also be focusing on other markets initially. The company will:
 - Answer all inquiries from foreign markets quickly.
 - Participate in a USDA tradeshow in Mexico
 - Use the Agent/Distributor program offered by our state regional trade group, The U.S. Western Agricultural (WUSATA).
 - Work with WUSATA to apply for funds for marketing and promotional activities through the Branded Program.

Mexican consumers are greatly influenced by promotion and advertising, but personal contact is also important. Therefore, we will work with a Mexican distributor to conduct in-store promotions, handouts, and other forms of direct merchandising.

Action Plan

Priority	Objective	Task	Resources	Schedule	Evaluation
1	Educate staff on exporting	• Attend training seminar on exporting	\$100	8/99	• Increase knowledge of exporting
2	Identify potential distributors	• List company on the USDA Supplier List	Fee	8/99	• Evaluate number and quality of inquiries received
3	Identify potential	• Purchase Foreign	\$15	8/99	• Evaluate number and

	distributors	Buyer List from USDA • Send brochure to contacts in Mexico • Follow up with promising contacts while in Mexico for tradeshow	\$100 \$500	8/99 3/00	quality of contacts • Evaluate number and quality of inquiries received • Narrow the field of potential distributors
4	Identify potential distributors	• Submit advertisement in USDA Buyer Alert	\$15	9/99	• Evaluate number and quality of inquiries received
5	Prepare packaging for Mexican market	• Design label for Mexican market • Print labels	\$500 \$500	9/99	• Clear label with Mexican Government
6	Identify potential distributors	• Purchase USDA foreign buyer list • Send letter to all potential buyers on list	\$15 \$150	10/99	• Check percent responses generated from letters
7	Attend the ANTAD in Guadalajara, Mexico	• Register for show • Prepare brochures • Send booth, materials, samples • Send two marketing/sales staff members to show • Meet with USDA Agricultural Trade Office staff while attending tradeshow	\$3,000 \$1,000 \$500 \$2,000	10/99 11/99 2/00 3/00 3/00	• Evaluate number of qualified leads
8	Select a distributor	• Check references of prospective distributors	\$500	4/00	• Identify the distributor to represent the company